GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:48
ANSWERED ON:26.02.2008
CHANGES IN FDI POLICY
Tripathy Shri Braja Kishore

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of the existing provisions to check illegal flow of funds through foreign direct investments in the country;

(b) whether the Government proposes to change the FDI policy to check illegal flow of funds; and

(c) if so, the details in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

(a): Policy on Foreign Direct Investment (FDI) is incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified under the Foreign Exchange Management Act, 1999. Section 13 of the Act provides for imposition of penalty, after adjudication, for contravention of the provisions of the Act or Rules/Regulations.

(b) & (c): FDI policy is reviewed on a continuous basis through stakeholders and inter- ministerial consultations.